

17 October 1979

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MEMORANDUM FOR: Deputy to the DCI for Resource Management

FROM:

Director, Program and Budget Office

SUBJECT:

Budget Review--Where We Stand

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1. All hearings on the FY 1981 budget have been concluded except for one on the IC Staff. This one has been delayed by mutual agreement with OMB until [] has had a chance to get firmly read-in to his budget needs. []

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2. The overview sessions with Jayne, Sitrin and Stubbing on CCP and NRP went well. No surprises except for NSC criticism (Rosie--who else) that Jimmie Hill was paying far too much attention to congressional

limits on [] We haven't heard the last of this one. []

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3. The PAO-driven studies seem to be proceeding. I'm aware of first drafts on ELINT, Survivability and Manpower. A HUMINT package will be out shortly. []

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4. Budget scrubs are complete and have yielded about [] most of which should hold up. Where we missed our schedule by a day, we gave the Program Manager an extra day to appeal. One note of caution when you consider appeals--putting everything in writing means the program office will offer an appeal just to appear to be defending their submission (they may well agree with the cut in private). I believe we can be very conservative on what we give back since the budget review decisions were not just a "rubber-stamp" exercise. Where OMB-OSD Comptroller-RMS all agreed, I accepted their alternative. I refused to accept OMB-proposed cuts which appeared based on weak rationale or which dealt with things already agreed to be the subject of an issue (e.g., Manpower). []

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5. Issue papers are coming along. We have eight or nine in first draft at the moment, with more flowing in each day. We appear to be no more than a day behind schedule. The issue papers OMB proposed and

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which they are taking a first cut at should be available Friday--about three days behind our original target. I think we can live with that delay, but not much more. [redacted]

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6. All in all we appear to be in pretty good shape for meeting with the DCI on Friday and for meeting our schedule. From where I sit, the critical item appears to be the ELINT study. OMB is already posturing that not having it has made it impossible to consider properly ELINT collection and processing pieces of the budget. No doubt they will express unhappiness with the scope of the effort and with when it was available. They appear to want to be able to label it as too little, too late. This rationale of course allows the budget to be cut on the assertion that what we propose is premature. [redacted]

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7. Loose ends do exist which we will need to discuss with you: strategy for [redacted] confirmation of how we propose to integrate the production enhancement initiatives; status of the TCP: and the strategy for producing a final ranking at both OMB's [redacted] and the DCI's recommended level. [redacted]

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